

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
SOE-01 OMB-01 DOE-12 /123 W  
-----124303 221136Z /14/75

R 211826Z DEC 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 3426  
INFO ALL EC CAPITALS  
USMISSION GENEVA  
AMEMBASSY STOCKHOLM  
AMEMBASSY SEOUL  
AMEMBASSY TOKYO  
AMEMBASSY MADRID

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C O R R E C T E D C O P Y (SIGNATURE ADDED)

USEEC ALSO FOR EMBASSY, PASS TREASURY AND STR

E.O. 11652: N/A  
TAGS: ETRD, EIND, EC, FR  
SUBJECT: COMMENTS ON EC STEEL AND SOLOMON PLANS.

REF. BRUSSELS 18991

1. SUMMARY: IN DECEMBER 21 MEETING WITH ECON/COMMERCIAL  
MINISTER, JACQUES FERRY, PRESIDENT OF EUROFER AND  
FRENCH STEEL INSTITUTE, EXPRESSED SATISFACTION WITH THE  
OUTCOME OF EC MINISTERIAL STEEL DISCUSSIONS AND A  
CAUTIOUS ACCEPTANCE OF THE US TRIGGER PRICE SYSTEM.  
END SUMMARY.

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2. FERRY SEES THE MEASURES TAKEN BY THE EC COUNCIL  
(REFTEL) AS RESPONDING TO THE NEEDS TO RESTORE ORDERLY  
CONDITIONS ON THE EUROPEAN STEEL MARKET. THE  
COMPENSATORY DUTY SYSTEM, WHICH COVERS ONLY CARBON  
STEEL PRODUCTS (EXCLUDING PIPES), IS SIMILAR TO OUR  
TRIGGER PRICE SYSTEM, ACCORDING TO FERRY.(WE POINTED

OUT THAT SYSTEMS ARE NOT THE SAME). HE EXPECTS THAT THE REFERENCE PRICES WILL BE SET AT A DISCOUNT OF NOT MORE THAN 8 PERCENT FROM EC ORIENTATION PRICES. ACCORDING TO FERRY'S STAFF, THEY HAVE RECEIVED LATE WORD THAT THE SYSTEM WILL BE IN PLACE FOR SIX MONTHS INSTEAD OF THREE WHILE THE EC NEGOTIATES BILATERAL QUANTITY AND PRICE AGREEMENTS WITH ITS PRINCIPAL SUPPLIERS.

3. FERRY QUESTIONED US ON DETAILS OF THE TRIGGER PRICE SYSTEM. WHILE REGRETTING THE EXCLUSION OF STAINLESS STEEL FROM THE PLAN, AND EXPRESSING RESERVATIONS CONCERNING THE PRICES, HE STATED THAT THE U.S. AND EC PLANS SHOULD SERVE TO CALM AND STABILIZE THE WORLD STEEL MARKET. HE EXPECTS TO RECEIVE MORE DETAILS ON THE FUNCTIONING OF OUR SYSTEM FROM THE EUROFER EXPERTS NOW IN WASHINGTON.

4. FERRY COMMENTED ON TWO ADDITIONAL SUBJECTS: EC ANTIDUMPING PROCEEDINGS AND THE OECD DISCUSSIONS.  
--EC ANTI-DUMPING PROCEEDINGS ARE IN THE WORKS ON SPANISH EXPORTS OF STEEL SHEET AND STEEL BEAMS IN ADDITION TO THE ALREADY PUBLICIZED PIPE PROCEEDINGS.  
--THE INSTITUTE VIEWS THE STATEMENT ISSUED AT THE MOST RECENT OECD AD HOC STEEL DISCUSSIONS AS HOPEFULLY A POINT OF DEPARTURE FOR DISCUSSIONS LEADING TO LONG-TERM LIMITED OFFICIAL USE

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SOLUTIONS IN THE STEEL SECTOR.

5. THE "FIGARO" OF DECEMBER 2L IN REPORTING THE EC PLAN QUOTES PRIME MINISTER BARRE AND INDUSTRY MINISTER MONORY AS STATING THAT THE DECISIONS TAKEN AT THE EC MINISTERIAL MEETING DEC. 19-20 ARE SATISFACTORY TO THE GOF. AT A PUBLIC CEREMONY ATTENDED BY EMBASSY REPRESENTATIVES ON DEC. 20, MONORY'S CHEF DE CABINET SPOKE ENTHUSIASTICALLY ABOUT THE BRUTSELS DECISIONS.  
HARTMAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Reference:** 78 BRUSSELS 18991, 77 BRUSSELS 18991  
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**Review Markings:**  
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